



## **DEPARTMENT OF COMMERCE**

### **Foreign-Trade Zones Board**

**[B-08-2018]**

#### **Foreign-Trade Zone (FTZ) 134 – Chattanooga, Tennessee; Notification of Proposed Production Activity: Volkswagen Group of America - Chattanooga Operations, LLC (Passenger Motor Vehicles), Chattanooga, Tennessee**

Volkswagen Group of America Chattanooga Operations, LLC (Volkswagen), submitted a notification of proposed production activity to the FTZ Board for its facility in Chattanooga, Tennessee. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on January 30, 2018.

Volkswagen already has authority to produce passenger motor vehicles within Site 3 of FTZ 134. The current request would add foreign status components to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status components described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Volkswagen from customs duty payments on the foreign-status components used in export production. On its domestic sales, for the foreign-status components noted below, the company would be able to choose the duty rates during customs entry procedures that apply to passenger motor vehicles (duty rate – 2.5%). Volkswagen would be able to avoid duty on foreign-status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The components sourced from abroad include T-Piece/plastic pipes and stainless-steel flanges (duty rate ranges from 3.1 to 6.2%).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is March 24, 2018.

A copy of the notification will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the Board's website, which is accessible via [www.trade.gov/ftz](http://www.trade.gov/ftz).

For further information, contact Christopher Wedderburn at [Chris.Wedderburn@trade.gov](mailto:Chris.Wedderburn@trade.gov) or (202) 482-1963.

Dated: February 5, 2018.

**Andrew McGilvray,**

*Executive Secretary.*

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